



Fact Sheet

FIVE HOT CALIFORNIA CONSUMER ISSUES

How to Keep From Getting Burned

The “Five Hot California Consumer Issues” were chosen to highlight key risk areas for consumers. Identity theft remains the top consumer crime nationally, and the first two California’s “Five Hot California Consumer Issues” fall under this broad fraud category. Following are tips and resources in all five areas:

- **Fight “Phishers”** – “Phishers” pose as reputable businesses and call or e-mail consumers asking them to confirm account numbers, passwords and PINS. Reputable businesses never request this type of information in this manner. Consumers can avoid being hooked by simply closing the e-mail, hanging up the phone and making a call to the business themselves. For more tips, visit the Department of Consumer Affairs’ www.privacy.ca.gov/ and FTC www.consumer.gov/idtheft/ Web sites.
- **Guard Your Credit and Debit Cards** – Check statement immediately, and quickly report fraudulent use to the card issuer by phone and in writing. Derail dumpster divers by destroying any documents with account numbers before discarding. To prevent “skimmers” from electronically scanning your cards, maintain possession of the cards or keep an eye on them, and avoid any ATM devices that look suspicious. Don’t let criminals observe your PIN. The laws require consumer protections for credit cards and debit cards, but for debit cards, which access checking accounts, the protection differs and requires quicker loss reporting. Card issuers may provide greater protections for both types of cards, so it pays to review your agreements. For details and tips on how to prevent loss, visit the FTC’s “Credit” Web site at www.ftc.gov/.
- **Do Your Own Audit of Tax Refund Anticipation Loans** – California law requires tax preparers to disclose information to customers about these loans, which come with interest costs and fees and cannot be called “instant tax refunds.” Consumers should weigh costs against what may be a short wait for their actual, full refund. Only qualified professionals can prepare taxes for a fee, including tax preparers who must be registered with the California Tax Education Council (www.ctec.org/) and certified public accountants who must be licensed by the California Board of Accountancy (www.dca.ca.gov/cba/).

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- **Give Wisely and Avoid Charity Scams** – Charity solicitations may increase during the holidays or after disasters. Scam artists often take advantage of our desire to help the needy during these times, but consumers can fall for bogus charity pitches any day of the year. Be sure to only donate on your terms, and to the groups you trust. Be wary of high-pressure solicitations. Check out charities before you give. Ask that information be mailed to you so you can research the charity before you decide. If the caller refuses, don't donate, simply hang up. Never give out your credit card or bank account number. Fake charities may use names that are similar to genuine charities. To check on a charity and for tips on giving wisely, call the California Attorney General toll-free (800) 952-5225 (in California) or go to www.ag.ca.gov/charities/. Check with your local Better Business Bureau before donating to any charity, and review the BBB's "Tips for Charitable Giving" on the BBB Wise Giving Alliance Web site: www.give.org/.
- **Don't Get Dragged Down Into the Underground Economy, Only do Business With Properly Licensed Professionals and Businesses** – Consumers can avoid scams and rip-offs by always checking that professionals and businesses are properly licensed. The unlicensed activities of these "amateur professionals" endanger consumers, rob the state of revenue, cheat businesses with illegal competition and higher taxes, and shortchange workers and their families with inferior or non-existent benefits and protections. It's estimated that the California underground economy is worth from \$60 to \$140 billion a year. The Department of Consumer Affairs issues 2.3 million licenses in more than 100 business and 200 professional categories, from "A," as in "accountants," to "Z," as in zoo veterinarians. In between are many other trades and professions, including a wide range of healthcare professionals, home repair contractors, auto repair shops, barbers, cosmetologists and security guards. Consumers can check licenses online at www.consumer.ca.gov/. If the business is licensed by another state or local agency, consumers can check with that agency or visit the Better Business Bureau at www.bbb.org/ to view reports on many businesses.

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